MP-440 WTR-4.10 JUN 1 3 2005

Ms. Celeste Cantu Executive Director State Water Resources Control Board 1001 I Street Sacramento, California 94812-0100

Subject: Delta-Mendota Canal Recirculation Study – State Water Resources Control Board Decision 1641 – Central Valley Project (Your Letter Dated March 23, 2005)

Dear Ms. Cantu:

The Bureau of Reclamation has received the subject letter, regarding the Delta-Mendota Canal (DMC) Recirculation Study. Subsequent to our submittal of the DMC Recirculation Appraisal Study (Phase 1) in August 2004, Reclamation was granted feasibility study authority in November 2004 upon passage of the CALFED Bay-Delta Authorization Act (Act), Public Law 108-361. For this reason, Reclamation is now in a position to proceed with a detailed feasibility study in lieu of completing the more general appraisal-level study outlined in the existing Plan of Action (POA). The feasibility study will, at a minimum, address the requirements of both Condition 2 (at page 153 and 154) of State Water Resources Control Board (SWRCB) Decision 1641 (D-1641) and the Act. Because D-1641 required a POA to determine the feasibility of use of recirculation as a method for meeting and/or augmenting the Vernalis flow objective and water quality standards, the feasibility study will address these problems as well as how recirculation could improve dissolved oxygen in the San Joaquin River, consistent with the Act.

Reclamation completed the first three tasks of the appraisal study POA including modeling and environmental review of the benefits and impacts of two alternatives. The Phase I study concluded the potential benefits of recirculation as a means of augmenting flow on the San Joaquin River did not clearly outweigh the associated water quality impacts. Reclamation reported these findings and recommended the SWRCB allow the technical team to await the release of an updated version of the CALSIM hydrologic model and upcoming recommendations from the San Joaquin River Water Quality Management Group to more clearly model and analyze benefits and impacts. As you have noted, incorporation of some of the more recent operational flexibility of the Central Valley Project can and should be included in the modeling assumptions and results. The new CALSIM model provides the mechanism upon which to achieve results that more closely predict the hydrologic benefits of recirculation. In your letter of March 23, 2005, you express concern that the Phase I study did not examine impacts to other

water quality constituents or power generation effects of recirculation. Reclamation fully intends to study these and other related issues of concern in the feasibility study.

The federal authority contained in the Act substantially expands Reclamation's ability to study the concept of recirculation. Therefore, Reclamation is in the process of developing a new Plan of Study (POS) and invites SWRCB staff to assist in its development. The Act provided federal feasibility study authority; therefore, Reclamation will proceed in compliance with the "Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies." Your recommendations include the prioritization of water quality and fisheries impact analyses to determine whether there are potentially significant impacts to the environment directly related to recirculation and to consult with the SWRCB to determine if remaining analyses are necessary. Reclamation is in full agreement with this recommended approach and is currently in the process of completing a Final Report on the Pilot Recirculation Study conducted in August 2004 which is an assessment of the potential contaminants issue on a limited scale. Preliminary findings suggest that contaminants should not preclude recirculation. The Final Report should be transmitted to the SWRCB early this summer.

Reclamation is in the process of initiating the feasibility study, which is estimated to take approximately two years to complete. Reclamation expects to receive requisite funding in fiscal year 2006 and fully intends to satisfy the terms and conditions of D-1641 and the Act. If you have any questions concerning this letter, please contact Ms. Sharon McHale, Project Manager, at 916-978-5086.

Sincerely,

## /s/DONNA E. TEGELMAN

Donna E. Tegelman Regional Resources Manager

cc: Ms. Diane Riddle
Division of Water Rights
State Water Resources Control Board
P.O. Box 100
1001 I Street
Sacramento, California 94812-0100

bc: MP-700 (McHale), CVO (Milligan), MP-440 (Struebing)

WBR:SMcHale:PStrang:5/9/05:916-978-5086

H:440:Ltrs - JoAnn:Recirc Study - SWRCB Ltr draft 6-6-05.doc

Surnaming: MP-440 (2), -1150 (AAufdemberge), -400